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SENATE BILL.

No. 812

INTRODUCED BY SENATOR WELCH,

FEBRUARY 19, 1907.

REFERRED TO COMMITTEE ON FINANCE.

AN ACT

TO PROVIDE FOR THE ISSUANCE AND SALE OF STATE BONDS TO CREATE A FUND FOR THE ACQUISITION BY THE BOARD OF STATE HARBOR COMMISSIONERS OF A NECESSARY AREA FOR A TIDAL BASIN FOR WHARVES, PIERS, HARBORS AND APPURTENANCES IN THE CITY AND COUNTY OF SAN FRANCISCO; TO CREATE A SINKING FUND FOR THE PAYMENT OF SAID BONDS; AND DEFINING THE DUTIES OF STATE OFFICERS IN RELATION THERETO; MAKING AN APPROPRIATION OF ONE THOUSAND DOLLARS FOR THE EXPENSE OF PRINTING SAID BONDS; AND PROVIDING FOR THE SUBMISSION OF THIS ACT TO A VOTE OF THE PEOPLE.

*The people of the State of California, represented in senate and assembly,
do enact as follows:*

SECTION 1. For the purpose of providing a fund for the
2 payment of the indebtedness authorized to be incurred by the
3 board of state harbor commissioners for the acquisition of the
4 necessary area for a tidal basin extending the area of India
5 basin on the water front of the city and county of San Fran-
6 cisco, as provided in an act entitled "An act to authorize and
7 direct the board of state harbor commissioners to institute con-
8 demnation proceedings against certain property north of India

9 basin and extending to Islais creek in the city and county of
10 San Francisco, and extending their jurisdiction over the
11 same," the state treasurer shall, immediately after the issu-
12 ance of the proclamation of the governor, provided for in sec-
13 tion 10 hereof, prepare one thousand suitable bonds of the
14 State of California, in the denomination of one thousand dol-
15 lars each. The whole issue of said bonds shall not exceed the
16 sum of one million dollars, and said bonds shall bear interest
17 at the rate of four per centum per annum, from the time of
18 the sale thereof, and both principal and interest shall be pay-
19 able in gold coin of the present standard value, and they
20 shall be payable at the office of the state treasurer, at the
21 expiration of nineteen years from their date, subject, how-
22 ever, to redemption by lot as in this act hereinafter provided.
23 Said bonds shall bear date the second day of January, A. D.
24 nineteen hundred and nine, and shall be made payable on
25 the second day of January, nineteen hundred and twenty-
26 eight A. D. The interest accruing on such of said bonds as
27 are sold, shall be due and payable at the office of the state
28 treasurer on the second day of January, and on the second
29 day of July, of each year after the sale of the same; *provided,*
30 that the first payment of interest shall be made on the second
31 day of January, A. D. nineteen hundred and ten, on so many
32 of said bonds as may have been theretofore sold. At the
33 expiration of nineteen years from the date of said bonds, all
34 bonds sold shall cease to bear interest and likewise all bonds
35 redeemed by lot shall cease to bear interest as in this act pro-
36 vided, and the state treasurer shall call in, forthwith pay and
37 cancel the same, out of moneys in the India Basin sinking fund
38 provided for in this act, and, he shall on the first Monday of
39 January, nineteen hundred and twenty-eight, also cancel and
40 destroy all bonds not theretofore sold. All bonds issued shall
41 be signed by the governor, and countersigned by the controller,
42 and shall be endorsed by the state treasurer, and each shall
43 have the seal of the state stamped thereon. Each bond shall
44 contain a clause that it is subject to redemption by lot after
45 the year nineteen hundred and eighteen.

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SEC. 2. Interest coupons shall be attached to each of said bonds, so that such coupons may be removed without injury to or mutilation of the bond. Said coupons shall be consecutively numbered, and shall be signed by the state treasurer. But no interest on any of said bonds shall be paid for any time which may intervene between the date of any of said bonds and the issue and sale thereof to a purchaser.

SEC. 3. The sum of one thousand dollars is hereby appropriated to pay the expense that may be incurred by the state treasurer in having said bonds prepared. Said amount shall be paid out of the San Francisco harbor improvement fund on controller's warrants, duly drawn for that purpose.

SEC. 4. When the bonds authorized to be issued under this act shall be duly executed, they shall be by the state treasurer sold at public auction to the highest bidder for cash, in such parcels and numbers as said treasurer shall be directed by the governor of the state, under seal thereof, after a resolution requesting such sale shall have been adopted by the board of state harbor commissioners; but said treasurer must reject any and all bids for said bonds, or for any of them, which shall be below the par value of said bonds so offered; and he may, by public announcement at the place and time fixed for the sale, continue such sale, as to the whole of the bonds offered, or any part thereof offered, to such time and place as he may select. Due notice of the time and place of sale of all bonds must be given by said treasurer by publication in two newspapers published in the city and county of San Francisco, and also by publication in one newspaper published in the city of Oakland, and by publication in one newspaper published in the city of Los Angeles, and by publication in one newspaper published in the city of Sacramento, once a week during four weeks prior to such sale. The costs of such publication shall be paid out of the San Francisco harbor improvement fund, on controller's warrants duly drawn for that purpose. The proceeds of the sale of such bonds shall be forthwith paid over by said treasurer unto the treasury, and must be by him kept in a separate fund to be known and designated as the

26 “India Basin Fund” and must be used exclusively for the
27 acquisition area described in the act referred to in section 1
28 hereof. Drafts and warrants upon said fund shall be drawn
29 upon and shall be paid out of said fund in the same manner as
30 drafts and warrants are drawn upon and paid out of the
31 San Francisco harbor improvement fund.

SEC. 5. For the payment of the principal and interest of
2 said bonds a sinking fund, to be known and designated as the
3 “India Basin Sinking Fund” shall be, and the same is hereby
4 created as follows; to wit: The state treasurer shall, on the
5 first day of each and every month after the sale of said bonds,
6 take from the San Francisco harbor improvement fund such
7 sum as, multiplied by the time the bonds then sold and out-
8 standing at the time said treasurer shall so take said sum from
9 said San Francisco harbor improvement fund, less the amount
10 theretofore taken therefrom for said purpose; and he shall
11 place the sum in the India basin sinking fund created by this
12 act. Said state treasurer, shall on controller’s warrants duly
13 drawn for that purpose, employ the moneys in said sinking
14 fund in the purchase of bonds of the United States, or of the
15 State of California, or of the several counties or municipali-
16 ties of the State of California, which said bonds shall be kept
17 in a proper receptacle, appropriately labeled; but he must
18-9 keep always on hand a sufficient amount of money in said
20 sinking fund with which to pay the interest on such of the
21 state bonds herein provided to be issued as may have thereto-
22 fore been sold. And to provide means for the payment of
23 interest on the bonds that may be sold and outstanding, said
24 treasurer shall monthly take from the San Francisco harbor
25 improvement fund, and pay into said “India basin sinking
26 fund” an amount equal to the monthly interest then due on
27 all bonds then sold, delivered and outstanding. The board of
28 state harbor commissioners are hereby authorized and directed
29 by the collection of dockage, tolls, rents, wharfage and cranage
30 to collect a sum of money sufficient for the purposes of this
31 act, over and above the amount limited by section two thou-
32 sand five hundred and twenty-six of the Political Code of the

33 State of California. Between the first and tenth day of Novem-
34 ber, in the year nineteen hundred and eighteen and between
35 the first and tenth day of November of each year thereafter
36 until the maturity of said bonds the said treasurer shall, in
37 the presence of the governor, proceed to draw by lot such
38 an amount of bonds as shall be requisite to exhaust as nearly
39 as may be the amount in said sinking fund at that time, and
40 shall thereupon and before the tenth day of December follow-
41 ing, give notice by public advertisement to be inserted twice
42 a week for two weeks in two newspapers published in the city
43 and county of San Francisco, and also in one newspaper pub-
44 lished in the city of Oakland, and also in one newspaper pub-
45 lished in the city of Los Angeles, and also in one newspaper
46 published in the city of Sacramento, stating the number of
47 bonds so drawn and that the principal of said bonds shall be
48 paid on presentation to the treasurer on or before the second
49 day of January, following, and that from and after such last
50 named date, all interest upon bonds thus drawn shall cease,
51 and it shall be the duty of the treasurer as soon as said bonds
52 so drawn by lot are surrendered to him and paid to cancel
53 the same, and the interest coupons thereon, and each year
54 beginning with the year nineteen hundred and eighteen,
55 the said treasurer shall, in the manner aforesaid, proceed to
56 draw by lot such an amount of bonds as shall be requisite to
57 exhaust as nearly as may be the amount in said sinking fund,
58 and proceed in the manner hereinabove stated. After the
59 payment of all said bonds, the surplus or balance remaining
60 in said sinking fund, if any there be, shall forthwith be paid
61 into the San Francisco harbor improvement fund. At the
62 time of the respective drawings by lot, as aforesaid, and also
63 at the maturity of said state bonds, said treasurer shall sell
64 the United States or other bonds then in said sinking fund,
65 at governing market rates, after advertising the sale thereof
66 in the manner hereinbefore provided for, the sale of bonds
67 hereby authorized to be issued, and shall use the proceeds for
68 the payment of such bonds as may be drawn by lot, and at the
69 maturity of said bonds outstanding shall pay and redeem said

70 matured outstanding bonds out of said moneys in said fund
71 in extinguishment of said bonds on controller's warrants duly
72 drawn for that purpose.

SEC. 6. The state controller and the state treasurer shall
2 keep full and particular account and record of all their pro-
3 ceedings under this act, and they shall transmit to the governor
4 an abstract of all such proceedings thereunder, with an annual
5 report, to be by the governor laid before the legislature
6 biennially; and all books and papers pertaining to the matter
7 provided for in this act shall at all times be open to the inspec-
8 tion of any party interested, or the governor, or the attorney
9 general, or a committee of either branch of the legislature, or
10 a joint committee of both, or any citizen of the state.

SEC. 7. It shall be the duty of the state treasurer to pay the
2 interest of said bonds, when the same falls due, out of the
3 sinking fund provided for in this act, on controller's warrants
4 duly drawn for that purpose.

SEC. 8. This act, if adopted by the people, shall take effect
2 on the thirty-first day of December, A. D. nineteen hundred
3 and eight, as to all its provisions except those relating to and
4 necessary for its submission to the people, and for returning,
5 canvassing, and proclaiming the votes, and as to said excepted
6 provisions this act shall take effect immediately.

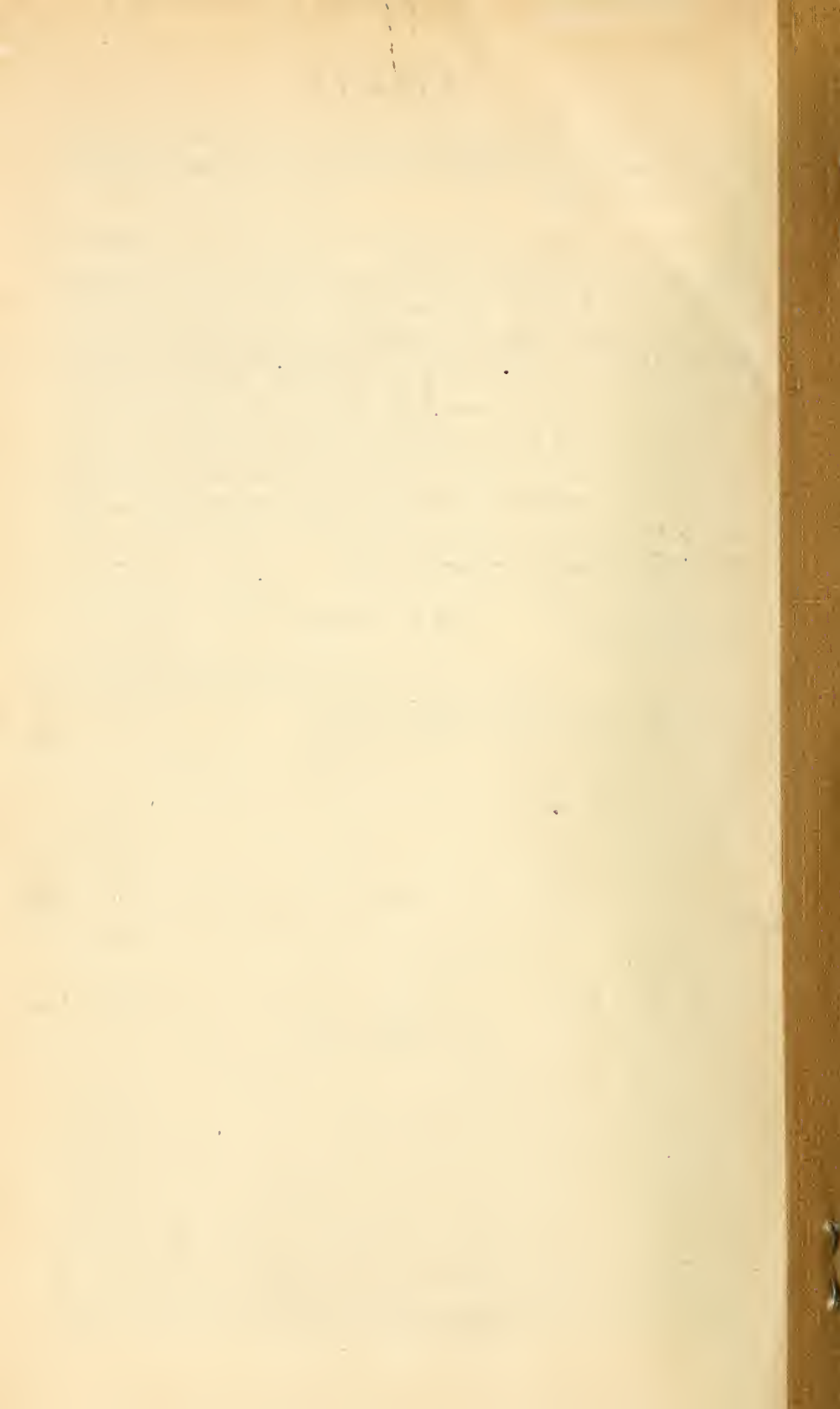
SEC. 9. This act shall be submitted to the people of the
2 State of California for their ratification at the next general
3 election, to be holden in the month of November, A. D. nine-
4 teen hundred and eight, and all ballots at said election shall
5 have printed thereon and at the end thereof, the words, "For
6 the India Basin act", and in a separate line under the same
7 words "Against the India Basin act", and opposite said lines
8 there shall be left spaces in which the voters may make or
9 stamp a cross to indicate whether they vote for or against the
10 said act, and those voting for said act, shall do so by placing
11 a cross opposite words "For the India Basin Act", and all
12 those voting against the said act shall do so by placing a
13 cross opposite the words "Against the India Basin Act". The

14 governor of this state shall include the submission of this act
15 to the people, as aforesaid, in his proclamation calling for said
16 general election.

SEC. 10. The votes cast for or against this act shall be
2 counted returned and canvassed and declared in the same man-
3 ner and subject to the same rules as votes cast for state offi-
4 cers; and if it appear that said act shall have received a major-
5 ity of all the votes cast for and against it at said election as
6 aforesaid, then the same shall have effect as hereinbefore pro-
7 vided, and shall be irrepealable until the principal and inter-
8 est of the liabilities herein created shall be paid and discharged,
9 and the governor shall make proclamation thereof; but if a
10 majority of the votes cast as aforesaid are against this act then
11 the same shall be and become void.

SEC. 11. This act may be known and cited as the "India
2 basin act".

SEC. 12. All acts and parts of acts in conflict with the pro-
2 visions of this act are hereby repealed.



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